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ABSTRACT

This student booklet is fifth in an illustrated series of eleven learning activity packets for use in teaching job hunting and application procedures and the management of wages to secondary students. Two units are included in this packet: the first describing the various ways of being paid: salary (including overtime and compensatory time), hourly wage, commission, piecework, bonus, tips, casual labor, and under the counter; the second explaining gross and net pay, sample pay stubs, and payroll deductions. At the beginning of each unit there is a short introduction, then the student objectives are listed, followed by the text section. Suggested learning activities and a Check Your Knowledge quiz conclude the unit. Answers to these quizzes and exercises, as well as final examination ditto masters and answers, are appended as teacher's supplements. As needed, references are made in the text to material in the other booklets. (ELG)

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COOPERATIVE WORK EXPERIENCE LEARNING ACTIVITY PACKET

SERIES ON JOB ENTRY AND ADJUSTMENT

Packet Five

YOUR PAYCHECK

A project of the Department of Industrial Education, University of Maryland
funded by the Maryland State Department of Education, Division of Vocational-Technical Education.

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YOUR PAYCHECK

Payday helps to make your job worthwhile. It is always the day you look forward to, the brightest day of the week. Being paid for the work you have done is a reward that is well-deserved.

However, if you are not aware of the things that are involved in receiving a paycheck, you may be sorely disappointed when your first payday comes around. You may only get paid twice a month rather than every Friday. The major part of your earnings may depend on how many items you sell rather than how many hours you put in. Your employer may have promised you $100 a week--yet your paycheck is only $84.50!

In this Packet you will learn about the many different ways of getting paid. You will also read about what happens to your paycheck to make it shrink from $100 to $84.50! You will learn how to get this information by studying your paystub, the information given to you by your employer along with your check.

STUDENT OBJECTIVES

1

After completing this section of the Learning Packet, you should be able to:

- Identify several different ways of being paid.
- Describe each method of payment.

WAYS OF BEING PAID

You've heard the expression, "An honest day's wage for an honest day's labor." It's a good expression. It is based on fairness, which can benefit both the employer and the employee. It takes into consideration both the employer's and the employee's best interests.

When you do an honest day or an honest few hours of work, you should receive a fair pay. You can, of course, be paid in any number of ways. The following are descriptions of some of the most common ways:

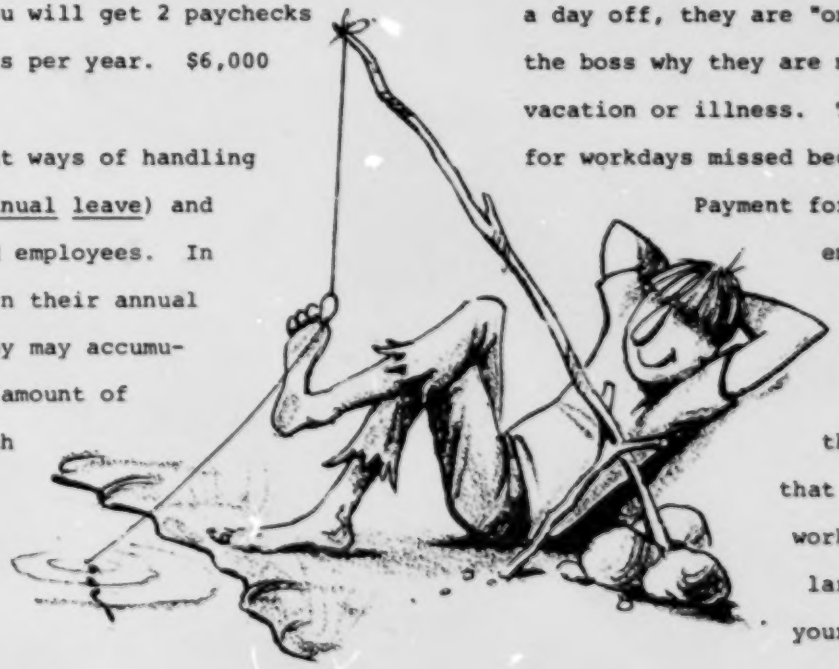
1. You can be paid a <u>salary</u>. A salary is like a contract or agreement made by the employer with his employee, and may be stated in terms of either an annual or weekly salary.

An annual salary does not mean that you will be paid once a year. Rather, your employer will divide the year into pay periods, which represent or stand for the amount of time you have worked between paychecks.

Which is heavier ?

Your pay period may be every week, every other week, or bi-monthly (twice a month). Regardless of the pay period, when you are paid a salary, the same amount will always appear in your paycheck. For example, suppose that you are a clerk-typist earning an annual salary of $6,000 and your pay period is bi-monthly. That means that each paycheck you receive will be for $250. (Being paid bi-monthly means that you will get 2 paychecks each month, or 24 equal checks per year. $6,000 divided by 24 = $250.)

Employers have different ways of handling vacation time (also called annual leave) and sick leave for their salaried employees. In some companies, employees earn their annual and sick leave. That is, they may accumulate, or build up, a certain amount of annual and sick leave for each month or pay period that they work. For example, if a worker has been employed for six months, he may be



able to take three days of leave. When employees have accumulated enough leave, they can take a vacation or sick leave and still be paid for the days of work that they miss.

Other companies do not have such a program. Employees are given a certain set amount of paid vacation time, such as 2 weeks each year. When they take a day off, they are "on their honor" to truthfully tell the boss why they are missing work--whether it is for a vacation or illness. These employees may not be paid for workdays missed because of illness.

Payment for overtime work also varies among employers. Overtime work is the number of hours that you work over 40 hours per week. Some people are paid time and one half for their overtime work. This means that for every overtime hour, the worker is paid 1-1/2 times his regular hourly rate. For example, if your salary works out to $2.00 per

hour, your pay for one hour overtime would be $3.00 (1-1/2 x $2.00 = $3.00).

Some salaried employees are not paid in cash for their overtime work. Instead, their employer will add the number of overtime hours to their annual leave. In other words, if you worked 8 hours overtime, you would get 8 extra hours of annual leave. This is called compensatory time.

A major advantage of being paid a salary is that receiving the same amount of money each pay period makes it easier for you to budget your expenses.

2. You can be paid an hourly wage. This means that, for each hour that you work, you get a certain set amount; for instance, $2.00 an hour. Paying his employees an hourly wage is an advantage to the employer, because he pays only for actual working hours.

People who receive hourly wages also get paid time and a half for their overtime work.

3. You can be paid by commission. A commission is money that is paid to an employee because he has sold something. Usually it is a percentage of the price of the item that he has sold. For instance, a large department store might pay its furnicure salesmen 10% of the price of every piece of furniture that they sell. A commission acts as an incentive or push to work hard. It allows the employer to reward his hard-working employees and to encourage them to work even harder for him and for themselves. In other words, the more the employee sells, the more money he makes.

Often, people who work on commission get a base salary, along with their commission money. A base salary is a certain fixed amount which the worker receives each week, no matter how little or how much commission he also receives.

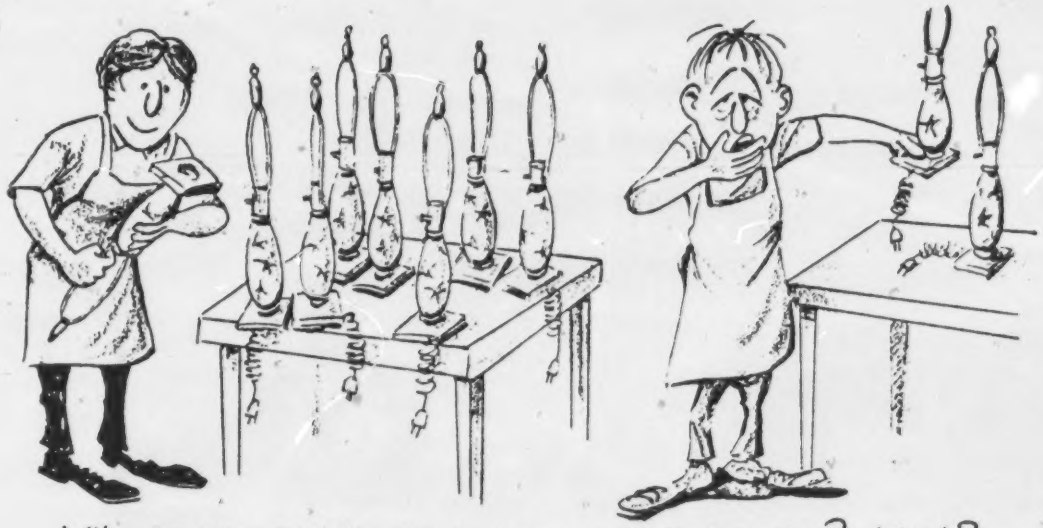
4. If you worked in a factory, you might do piecework and be paid a certain amount for each piece or group of pieces you produced. Your pay would depend on your speed because, the more you

produce, the more you are paid. The hard worker is rewarded in piecework, while the slow or less-industrious worker makes less money.

5. Occasionally, you might receive a bonus. A bonus is an amount of money over and above what you usually get. Sometimes at holidays or at times when the company is making a lot of money, the workers might receive bonuses.

6. Your pay might be supplemented by tips. Tips (also called gratuities) are small amounts of money which customers leave to thank you for your services. Some jobs, such as waiter or waitress jobs, do not always pay well. However, the tips such workers receive can really add up. Most customers in a restaurant are urged to leave 15 to 20% of the bill as a tip.

7. You might be paid as casual labor. This means that you are not a regular employee. You may have been hired to fill in for a cashier in a clothing store on an unusually busy day. You may have been signed up to work on a construction crew for a one-week job. In any case, the employer reports you on his income tax as a business expense rather than as an employee. He will not take deductions from your paycheck, but you should report your casual labor earnings on your income tax returns.



WHO DO YOU THINK WILL MAKE MORE MONEY? WHY? 5

8. You could be paid under the counter. This means that the employer does not want to keep a record of any work you do or any wages you receive. He doesn't want to pay any taxes or provide any benefits for you. This type of payment is illegal and can mean trouble for both you and your employer.

Following are a number of activities relating to the different ways of being paid.

LEARNING ACTIVITIES

Complete both learning activities in this section.

1. Unscramble the following terms. Once you have unscrambled them, use them to fill in the blanks in the sentences below.

LRUOYH GEAW	MSINCOIMSO
ERWCPKOIEER	SUBNO
SOPMYACERTNO EITM	YAP DYA
AARLSY	NDRUE HTE OTCUNRE
ITPS	

a. Mary works as a file clerk. She receives a _____ of $80 a week. If she takes sick leave or works overtime, her pay remains the same.

b. Frank is a bus boy who works from 12:00 to 6:00. He receives an _____ _____ of $2.00 for each hour he works.

c. Jane was allowed to add 1 day to her summer vacation because she had earned _____ _____.

d. A factory worker like Pat may be a _____. For every 200 buttons she makes, she gets 5 cents.

e. Some salesmen, like Fred, receive a base salary, plus a _____. Fred gets $100 a week plus 10¢ for every dollar's worth of appliances he sells.

f. John offered to help his neighbor paint his house, for which he will be paid $50 _____ _____ _____.

g. If Paula misses a day of work, her pay ($100 a week) doesn't change. She is paid a weekly _____.

h. Howard is paid an annual salary, but his _____ _____ is every other week.

i. Alice is a waitress in a fancy restaurant. She says most of her money comes from _____.

j. At Christmas time, the workers were given a _____ along with their regular pay.

2. Suppose that you are earning an annual salary of $5200 and your pay day is every Friday. How much money would you be paid each week?

✓CHECK YOUR KNOWLEDGE

1. Name 5 different ways of being paid.
2. Explain each of the following ways of being paid:
   a. Salary
   b. Commission
   c. Tips
3. What is an employer's reason for paying by commission? By hourly wage?

If you feel that you need more practice, try the following Alternative Activities. If not, go on to Unit 2.

ALTERNATE ACTIVITIES

1. See if you can list 3 jobs which might be paid on a commission basis.

2. Crossword Puzzle

ACROSS

1. Some salaried employees receive _____ time instead of cash for overtime work.

6. A pay _____ is the amount of time that you work between paychecks.

7. _____ is the number of hours that you work over 40 hours per week.

10. If you are paid by ___(2 words)___, you are paid a certain set amount for each hour that you work.

DOWN

1. Many salesmen are paid a _____, which is a percentage of the prices of the items that they have sold.

2. _____ is a way of paying factory workers for the number of items they produce.

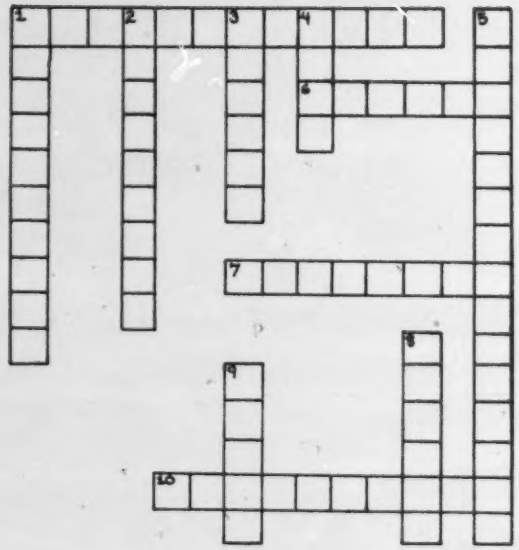
3. You might be paid an annual or weekly _____.

4. Many waiters and waitresses find that most of their earnings come from _____.

5. _____(3 words) _____ is an illegal way to pay someone.

8. _____ labor means that you are not a regular employee.

9. Many people receive a Christmas _____ from their employers.



STUDENT OBJECTIVES

2

When you have read this section of the Packet, you should be able to:

- State the differences between gross and net pay.
- Describe some of the different types of deductions that an employer may take from your paycheck.

THE PAYCHECK

If you have ever held a job, you may have been surprised to find that your paycheck was less than you had expected. After all, if you worked 10 hours last week at a rate of $2.50 an hour, you should be paid $25.00, right? Your paycheck, however, will always be less than the actual amount of money you have earned. Don't feel cheated, though--this happens to everyone.

The actual amount of money you earn for the hours you work is called your gross pay; that is, $25.00 for 10 hours work at $2.50 an hour. The amount

of your paycheck, or your take-home pay, is referred to as <u>net</u> pay. Net pay is what is left after all the proper amounts of money have been subtracted from your gross earnings. These subtractions from your gross pay are called deductions. Deductions may be in the form of taxes, dues, insurance plans or savings plans. In any case, the deductions will <u>never</u> be more than your pay--that is, your net pay will <u>always</u> be a good part of the gross.

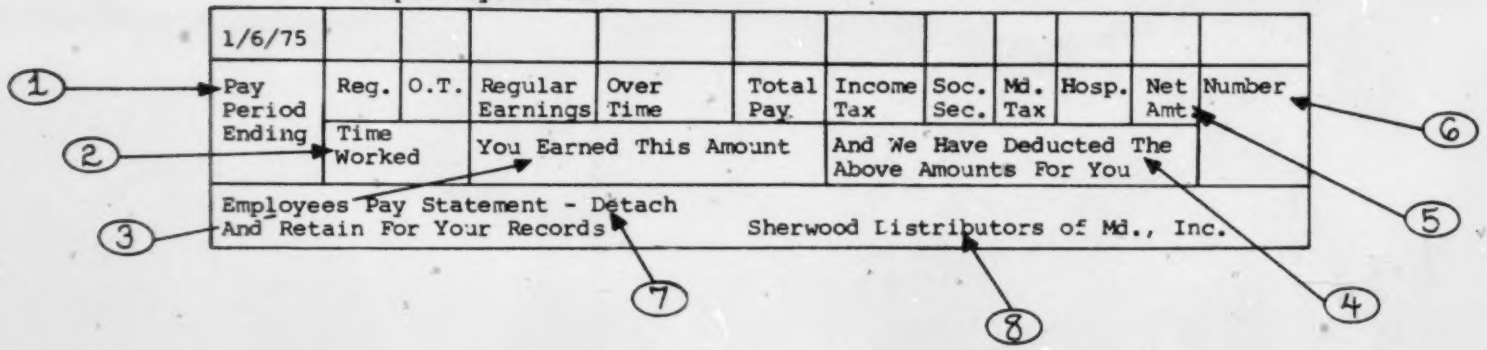
If you worked part-time for a very small business, such as a delicatessen or

a pizza parlor, your employer might pay you by cash or by his personal check. However, companies usually use paychecks which have two parts to them--the check itself, which you cash or bank, and the stub, which gives information about your pay. For one thing, this stub acts as a record of the part torn away--the paycheck. But beyond reminding you of how much your net pay was, the paystub gives you information on your current deductions and sometimes information about the total deductions subtracted from your pay for the current year, up to your present paycheck.

Sample paystub #1 is typical of one which you may receive along with your paycheck. A brief explanation of the different notations printed on the stub follows.

1. Pay Period Ending: The block above these words shows the employee the date of the last day for which he is being paid with this paycheck. Here--1/6/75.
2. Time Worked: The blocks above these words are divided into two sections: (A) REG.--regular or normal working hours and (B) O.T., which means overtime hours put in by the employee.

Sample Paystub #1



3. You Earned This Amount: This section of the paystub is divided into 3 parts: (A) Regular Earnings, or the gross pay which the employee gets for his regular hours on the job; (B) Overtime, or the money the employee gets for working beyond his normally scheduled hours. This money is usually paid at a higher rate than his normal pay rate. (See page 3). Finally, (C) Total Pay, or the gross total for regular and overtime pay.

4. We Have Deducted The Above Amounts For You: This section of the paystub is divided into four sections: (A) Income Tax, or Federal Withholding, is the tax the Federal Government requires the employer to take out of each employee's earnings. This money supports the operation of the U.S. Government and its programs. This tax is a percentage of your gross pay. As your rate of pay increases, the percentage deducted for Federal tax also increases. (B) Soc. Sec.: Social Security taxes (also called FICA taxes--Federal Insurance Contributions Act) are paid on an employee's earnings of up to $14,200 a year. Employers must withhold 5.85% of their employee's wages for Social Security. In addition, the employer must contribute an equal amount to the fund. The Social Security tax is money taken from an employee's earnings to

help support retired people. In your retirement years, you will receive payments from Social Security. See Packet 6 for more detailed information on Social Security. (C) Md. Tax is the tax which the state government places on the employee's earnings. The money is used to run state programs. Like income tax, this tax is paid according to the employee's earnings. (D) Hosp.: Employees in many companies pay a certain amount of their earnings for health and hospitalization insurance. The employer probably pays a similar amount on each employee.

5. Net Amount: The amount shown above these words is the employee's take-home pay. It is what is left of his gross pay after all of the deductions have been made.

6. Number: This is the number assigned to the employee for payroll purposes. The same number will appear on all of his paystubs.

7. Employee's Pay Statement--Detach and Retain For Your Records: This is important advice, since a

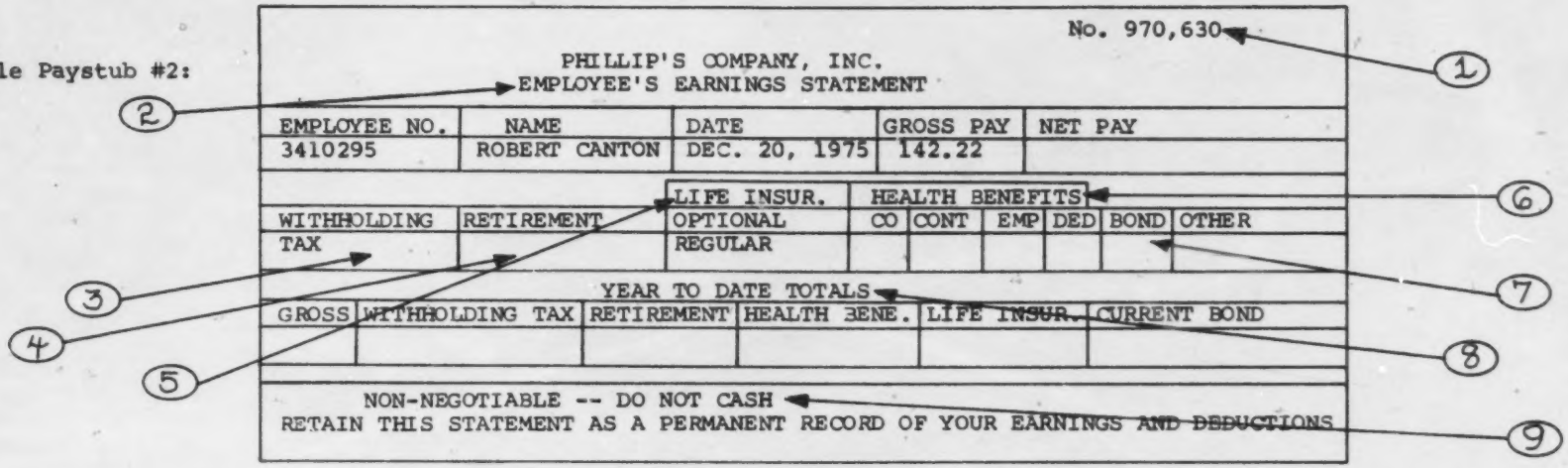
mistake can be made and the employee will need the stub to check back to for information. Also, when it is time to prepare income tax forms, the employee will want to check his paystubs against his W-2 forms.

8. Sherwood Distributors of Md., Inc.: This is the name of the company which pays the employee. It may not be the same name as the store or business where the employee actually works. It is the name of the business group that owns the place where the employee works.

On the next page is another sample of a more detailed paystub. This particular company has a number of fringe benefits for its employees, such as health insurance, life insurance and a retirement plan. Contributions for these programs are deducted from the employees paycheck. All of these deductions are recorded on the stub. This paystub also includes a cumulative, or year-to-date total of earnings and deductions. These amounts are all of the money that you have earned from January 1 of the year, up until and including the current pay check.

Explanations of the different parts of the stub follow the sample.

Sample Paystub #2:



No. 970,630

PHILLIP'S COMPANY, INC.
EMPLOYEE'S EARNINGS STATEMENT

EMPLOYEE NO.	NAME	DATE	GROSS PAY	NET PAY
3410295	ROBERT CANTON	DEC. 20, 1975	142.22	

		LIFE INSUR.	HEALTH BENEFITS					
WITHHOLDING TAX	RETIREMENT	OPTIONAL	CO	CONT	EMP	DED	BOND	OTHER
		REGULAR						

YEAR TO DATE TOTALS

GROSS	WITHHOLDING TAX	RETIREMENT	HEALTH BENE.	LIFE INSUR.	CURRENT BOND

NON-NEGOTIABLE -- DO NOT CASH
RETAIN THIS STATEMENT AS A PERMANENT RECORD OF YOUR EARNINGS AND DEDUCTIONS

1. No. 970,630: This is the number of the check the employee receives for this pay period. The same number appears on the check itself.

2. Employee's Earnings Statement: This is another name for the paystub.

3. Withholding Tax: Another name for the Federal Income Tax.

4. Retirement: In companies which have retirement plans for their employees, some money is put aside each pay period as a form of savings. The employer puts in his contribution also. The employee gets back this money when he retires, usually when he is in his 60's. In some instances, he may even get it if he simply leaves the job.

5. Life Insurance: This section of the paystub is divided into two parts: (A) Optional, which means that the employee has a choice of whether or not to contribute or give money to this form of life

insurance and (B) Regular, which means that the worker must give money to this basic life insurance policy plan. Sometimes, both the employee and the employer pay part of the premiums (payments) on the policy.

6. Health Benefits: This section is subdivided also: (A) Co. Cont. or company contribution. This block shows how much the employer or company contributes or pays in to health insurance. (B) Emp. Ded., or employee deduction, shows how much is deducted from the employee's gross earnings for his share of the cost of health insurance.

7. Bond: Employees can buy U. S. Savings Bonds through the place where they work. These are a long-term form of saving. The bonds may be exchanged for money whenever the employee wants to cash them. For example, if you decide to buy a $25 savings bond, it will only cost you $18.75. Five years from the date that you bought the bond, you may cash it in for the full $25. If you redeem (that is, exchange) the bond before 5 years have passed, the bond will be worth less than $25.

8. Year to Date Totals: The blocks under this heading show how much the employee has grossed and the total amounts of different deductions which have been taken out of his wages since the beginning of the current year.

9. Non-Negotiable--Do Not Cash: These words remind the employee that the paystub is not a paycheck. The employee can cash only his paycheck.

The company may also take deductions from your earnings for its own programs, such as union dues or for payment of uniforms that have been provided for you.

To summarize, there are 4 basic kinds of deductions:

1. Taxes: Federal and state withholding taxes; social security (FICA).
2. Fringe Benefits: Medical insurance, life insurance, and retirement plans. For an employee these may be optional or required.
3. Savings Plans: U. S. Savings Bonds, credit unions, money for charity. Some businesses work with local banks so that you can arrange to have a certain amount of your salary put into your savings account before you even get your check. The money goes right from the business into your bank.

4. Company Deductions: Union dues, uniforms, etc.

There are many different kinds of paystubs. Some are more detailed than others. Some may include information other than deductions, such as the amount of sick or vacation leave that you used during that pay period. Some may even show a total of the annual and sick leave that you have at that date.

The paymaster or accountant is the person who gives out the paychecks and keeps the payroll. The payroll is the company's record of the money it has paid its employees. He can explain to you the different deductions, fringe benefits, and savings programs which your company has.

Below are some activities for you to do dealing with your paycheck. Complete all of the activities.

LEARNING ACTIVITIES

1. Directions: First, fill in the blanks in Part 1. Then use the letters over the numbers to fill in the blanks in Part 2.

Part 1:

1. Pay before deductions. _ _ _ _ _ / 1 2 3 4 4

2. Money set aside to help support the employee in his old age. _ _ _ _ _ _ _ _ _ _ / 2 5 6 7 2 5 8 5 9 6

3. Time worked over and above the employee's regular hours. _ _ _ _ _ _ _ _ / 3 10 5 2 6 7 8 5

4. Record of earnings and deductions.

_ _ _ _ _ _ _ / 11 12 13 4 6 14 15

5. Name of the tax which Maryland places on an employee's income. _ _ _ _ _ / 4 6 12 6 5

6. Check for the employee's net earnings.

_ _ _ _ _ _ _ _ / 11 12 13 16 17 5 16 18

7. Name of the tax the U.S. Government places on an employee's earnings. _ _ _ _ _ _ _ / 19 5 20 5 2 12 21

8. List which a paymaster makes of employees and their earnings. _ _ _ _ _ _ _ / 11 12 13 2 3 21 21

Part 2:

W / 17 12 6 _ 7 4 _ W / 3 2 18 5 20 _ 17 12 2 19 _

19 3 2 _ 15 14 6 _ 2 12 2 5 21 13 _ 12 21 21 _

6 12 18 5 9 _ 17 3 8 5 ?

What is the answer to the coded question?

2. Write True or False for the following statements:
   A. The amount on your paycheck is your gross pay.
   B. A deduction is a sum of money subtracted from your earnings.
   C. Pay stubs should be thrown away after you have cashed your paycheck.

D. Net pay is what is left after all deductions have been taken from your earnings.

E. FICA is an optional deduction.

3. Answer the following questions.

A. If John grossed $45.85 and his deductions amounted to $6.17, what would his net pay be?

B. Trent's net pay came to $82.12. His deductions amounted to $19.17. What was his gross pay for that week?

C. If Janet grossed $28.19 and netted $21.17, what did her deductions amount to?

If you feel you need more practice, do the following Alternate Activity. If not, go on to Check Your Knowledge.

ALTERNATE ACTIVITIES

1. Unscramble the words in Column A. Then match the words in Column A with the proper definitions in Column B. Place the letter from Column B in the space in front of Column A.

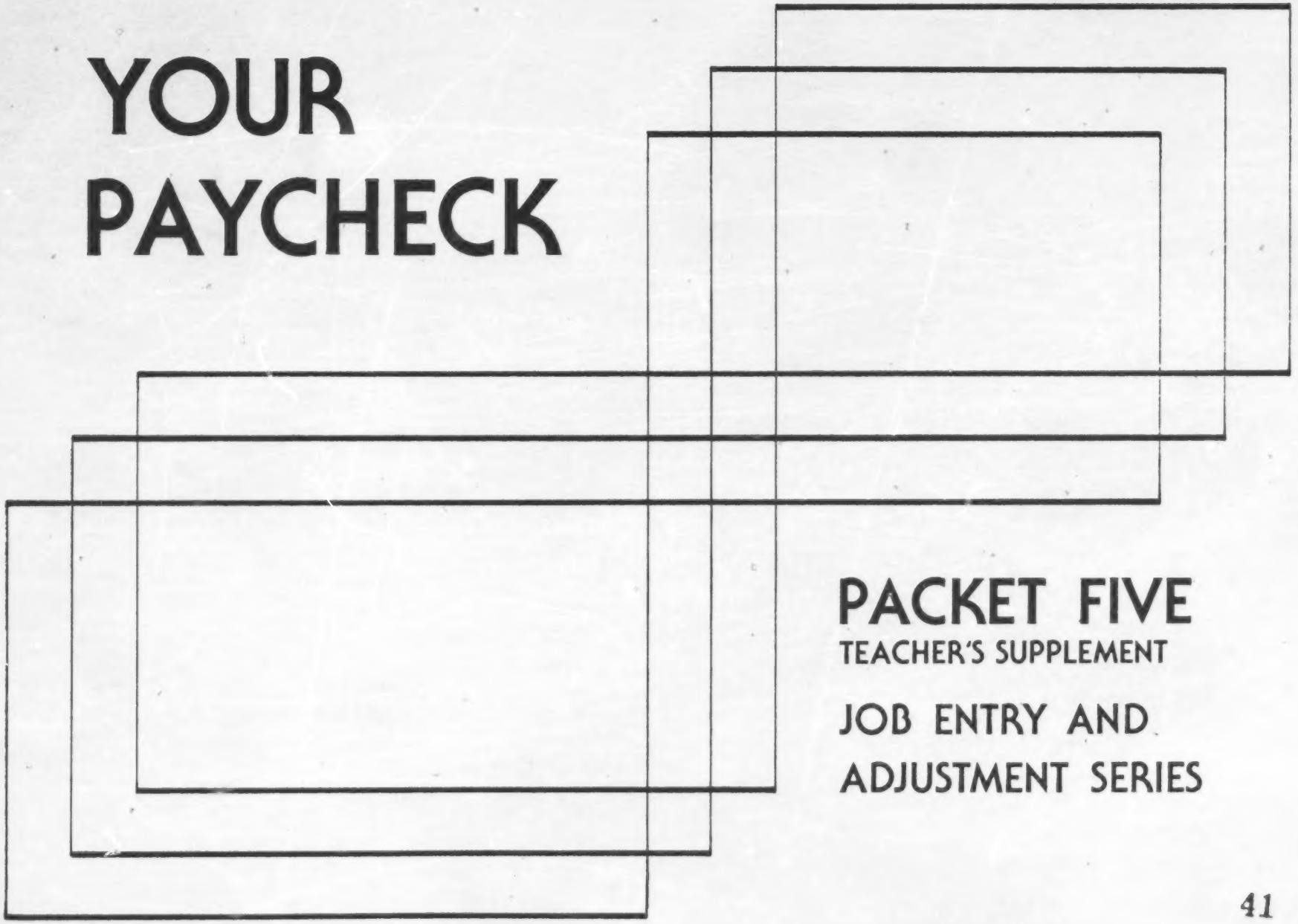
Column A	Unscrambled Words	Column B
___ 1. CMOENI	_____	A. Pay before any deductions.
___ 2. YBPAUST	_____	B. Pay after deductions.
___ 3. KEAT-MHEO	_____	C. Amounts subtracted from an employee's gross pay.
___ 4. EOEVMRIT	_____	D. Tax on employee's earnings.
___ 5. SRGOS	_____	E. Record of earnings and deductions.
___ 6. OSDBN	_____	F. Another name for net pay.
___ 7. SUTDINODEC	_____	G. A check for the employee's net earnings.
___ 8. LPOYLAR	_____	H. Time put in at work over and above one's regular hours.
___ 9. ENT	_____	I. A type of payroll savings in which the employee can make an investment in the U.S. Government.
___10. YCCPHKEA	_____	J. The list which the pay-master makes of employees and their earnings.

✓CHECK YOUR KNOWLEDGE

1. List 4 general types of deductions and give one example of each.
2. Identify 2 types of "fringe benefits."
3. Explain the purpose of a paystub. Why is it a good idea to save it?
4. List 3 kinds of information, besides deductions, which may be included on a paystub.
5. Mary and John both work 40 hours a week as office aides, but for different companies. They both earn $2.50 an hour, but Mary's net pay is $85.00 a week, while John takes home $78.50. Explain this difference between John and Mary's net pay. Try to give 3 specific examples of possible differences in their deductions.
6. Explain the difference between gross pay and net pay.

You have completed this Packet. It would be a good idea to review the material before taking the examination.

YOUR PAYCHECK



PACKET FIVE

TEACHER'S SUPPLEMENT

JOB ENTRY AND ADJUSTMENT SERIES

COOPERATIVE WORK EXPERIENCE LEARNING ACTIVITY PACKET

SERIES ON JOB ENTRY AND ADJUSTMENT

Supplement to Packet Five

YOUR PAYCHECK

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PAGE 6

Answers to

LEARNING ACTIVITIES

1. See page 5C for Scrambled Word/Fill Ins worksheet ditto and answers.

PAGE 7

2. $100 each week.

PAGE 15

1. See pages 5D and 5E for ditto and answers to Parts 1 and 2.

2. A. F
   B. T
   C. F
   D. T
   E. F

PAGE 17

3. A. $39.68
   B. $101.29
   C. $7.02

Answers to

✓CHECK YOUR KNOWLEDGE

PAGE 7

1. Can be any five of the following:

   a. By salary
   b. By hourly wage
   c. By commission
   d. By piece work wage
   e. By a bonus
   f. By tips
   g. As casual labor
   h. Under the counter

2. a. Salary: Like a contract or agreement between employer and employee. Employee receives a set amount of money in each paycheck.

PAGE 7

   b. Commission: Money paid to an employee that is a percentage of the price of an item he has sold for his company.

   c. Tips: Small amounts of money which customers leave an employee as thanks for a service. Can sometimes amount to a large part of a worker's earnings.

3. a. It allows the employer to reward his hard-working employees and to encourage them to work even harder for him and for themselves.

   b. Employer only has to pay for actual working hours.

PAGE 18

1. Students should have the following four categories listed and any one of the examples for each.

   a. Taxes: Federal withholding tax, state withholding, social security.

   b. Fringe benefits: Medical insurance, life insurance, retirement plans.

   c. Savings plans: U.S. Bonds, credit unions, charity money, savings account.

   d. Company deductions: Union dues, uniforms.

2. Any two of the following:

   Medical insurance
   Life insurance
   Retirement plans

3. a. Gives information about your pay and serves as a pay record.

   b. If a mistake in pay occurs, employee can refer back to his paystub; employee can check his paystubs against his W-2 forms at income tax time.

PAGE 18

Answers to

✓CHECK YOUR KNOWLEDGE

4. Can be any 3 of the following:

   -Pay period ending: date of the last day for which employee is being paid.
   -Time worked: regular and overtime hours put in.
   -Gross amount: total for regular and overtime pay.
   -Net amount: amount after deductions.
   -Payroll employee number or check number.
   -Company name.
   -Year to date totals.

5. a. The difference in pay is probably due to a difference in the amounts of money deducted from John and Mary's gross pay.

   b. May be any 3 of the following:

   Retirement plan
   Life insurance
   Health benefits
   Bond or other savings plan

6. Gross pay: actual amount of money earned before deductions.

   Net pay: paycheck amount, or pay left after deductions.

Suggested Answers to

ALTERNATE ACTIVITIES

7

1. Almost any kind of sales job.

8

2. See page 5F for crossword puzzle ditto and answers.

17

1. See page 5G for Scrambled Word/Fill In the blank ditto and answer sheet.

Final examination and answers can be found on pages 5H and 5I.

NOTES

Answers to
Learning Activity #1
Scrambled Word/Fill In the Blank
Packet 5, Page 6

Unscrambled Words

1. a. Hourly wage
   b. Piece worker
   c. Compensatory time
   d. Salary
   e. Tips
   f. Commission
   g. Bonus
   h. Pay day
   i. Under the counter

Answers to Fill In the Blanks

a. salary
b. hourly wage
c. compensatory time
d. piece worker
e. commission
f. under the counter
g. salary
h. pay day
i. tips
j. bonus

Ditto master for student use →

5C

Learning Activity #1
Scrambled Word/Fill In the Blank
Packet 5, Page 6

1. Unscramble the following terms. Once you have unscrambled them, check back to page 6 of the Packet. Use the unscrambled terms to fill in the blanks in the sentences. (Put your answers in the blanks below.)

a. LRUOYH GEAW
b. ERWCPKOIEER
c. SOPMYACERTNO EITM
d. AARLSY
e. ITPS
f. MSINCOIMSO
g. SUBNO
h. YAP DYA
i. NDRUE HTE OTCUNRE

a. _____
b. _____ _____
c. _____ _____
d. _____
e. _____
f. _____ ___ _____
g. _____
h. _____ _____
i. _____
j. _____

5C

Answers to
Learning Activity #1--Part I
Fill In the Blank/Block Letters
Packet 5, Page 16

Part 1:

1. G R O S S
   1 2 3 4 4

2. R E T I R E M E N T
   2 5 6 7 2 5 8 5 9 6

3. O V E R T I M E
   3 10 5 2 6 7 8 5

4. P A Y S T U B
   11 12 13 4 6 14 15

5. S T A T E
   4 6 12 6 5

6. P A Y C H E C K
   11 12 13 16 17 5 16 18

7. F E D E R A L
   19 5 20 5 2 12 21

8. P A Y R O L L
   11 12 13 2 3 21 21

Ditto master for student use →

Learning Activity #1--Part I
Fill In the Blank/Block Letters
Packet 5, Page 16

1. Directions: First, fill in the blanks in Part 1. Then use the letters over the numbers to fill in the blocks in Part 2.

   Part 1:

   1. Pay before deductions. _ _ _ _ _
      1 2 3 4 4

   2. Money set aside to help support the employee in his old age. _ _ _ _ _ _ _ _ _ _
      2 5 6 7 2 5 8 5 9 6

   3. Time worked over and above the employee's regular hours. _ _ _ _ _ _ _ _
      3 10 5 2 6 7 8 5

   4. Record of earnings and deductions. _ _ _ _ _ _ _
      11 12 13 4 6 14 15

   5. Name of the tax which Maryland places on an employee's income. _ _ _ _ _
      4 6 12 6 5

   6. Check for the employee's net earnings.
      _ _ _ _ _ _ _ _
      11 12 13 16 17 5 16 18

   7. Name of the tax the U.S. Government places on an employee's earnings. _ _ _ _ _ _ _
      19 5 20 5 2 12 21

   8. List which a paymaster makes of employees and their earnings. _ _ _ _ _ _ _
      11 12 13 2 3 21 21

Answers to
Learning Activity #1--Part 2
Fill In the Blank/Block Letters
Packet 5, Page 16

1. Part 2: Coded question:

WHAT IS WORKED HARD FOR

BUT RARELY ALL TAKEN HOME?

Answer to this question: Your pay.

Ditto master for student use

5E

Learning Activity #1--Part 2
Fill In the Blank/Block Letters
Packet 5, Page 16

Part 2:

W I7 I2 6 7 4 W 3 2 I8 5 20 I7 I2 2 I9

I9 3 2 I5 I4 6 2 I2 2 5 2I I3 I2 2I 2I

6 I2 I8 5 9 I7 3 8 5 ?

What is the answer to the coded question?

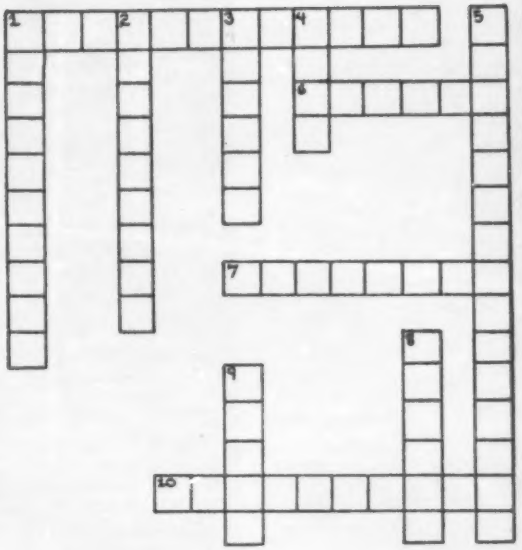
5E

Answers to
Alternate Activity #2
Crossword Puzzle
Packet 5, Page 8

Ditto master for student use

5F

Alternate Activity #2
Crossword Puzzle
Packet 5, Page 8



Answers to
Alternate Activity #1
Scrambled Word/Fill In
Packet 5, Page 17

A 1. Income

E 2. Paystub

F or B 3. Take-home

H 4. Overtime

A 5. Gross

I 6. Bonds

C 7. Deductions

J 8. Payroll

B 9. Net

G 10. Paycheck

Ditto master for student use

5G

Alternate Activity #1
Scrambled Word/Fill In
Packet 5, Page 17

____ 1. CMOENI

____ 2. YBPAUST

____ 3. KEAT-MHEO

____ 4. EOEVMRIT

____ 5. SRGOS

____ 6. OSDBN

____ 7. SUTDINODEC

____ 8. LPOYLAR

____ 9. ENT

____ 10. YCCPHKEA

Answers to Final Exam Packet 5

1. a. An amount of money over and above what you usually get paid. Received at holidays, when business is good, etc.

   b. Amount of vacation time that an employee gets in one year.

   c. Any number of hours worked over 40 hours per week.

   d. Overtime hours that are added to an employee's annual leave.

   e. Given to some people who work on a commission. A certain fixed amount of money which the worker receives each week, no matter how much he makes on commission.

   f. Employer keeps no record of the employee's work or wages, so as not to pay taxes or provide benefits. Illegal.

2. a. Factory work in which a certain amount is paid to the employee for each piece or group of pieces produced.

   b. For each hour worked, employee gets a set amount of money.

   c. Money paid to an employee because he has sold something. Usually a percentage of the price of the item sold.

   d. Labor done by a worker who is not a regular employee. Paycheck for such work has no deductions, but should be reported on the worker's income tax.

   e. Small amounts of money left by customers as thanks for services.

3. Factory worker.

4. Suggested answers: One week construction job
   One day fill-in as a cashier
   Two day inventory job

5. Gross pay: Income before deductions.

   Net pay: Money earned after deductions.

Ditto master for student use

5H

Final Exam Packet 5

1. Explain the following terms:

   a. Bonus:

   b. Annual leave:

   c. Overtime work:

   d. Compensatory time:

   e. Base salary:

   f. Under the counter:

2. Tell about each of the following ways of being paid:

   a. Piecework:

   b. Hourly wage:

   c. Commission:

   d. Casual labor:

   e. Tips

3. What type of worker might be paid by piecework?

4. Give an example of casual labor.

5. What is the difference between gross pay and net pay?

5H

Answers to Final Exam Packet 5

6. - Gives information about the paycheck.
   - Serves as a permanent record of the paycheck.

7. a. Overtime: Money employee gets for working beyond his normally scheduled hours.

   b. Social Security: Tax money taken from an employee's earnings to help support retired people.

   c. Hospitalization: Health and hospitalization insurance for an employee.

   d. Company contribution: How much the employer or company pays in toward a worker's health insurance.

   e. Employee deduction: Amount deducted from employee's gross earnings for his share of the cost of health insurance.

8. d
   f
   a
   e
   b
   c

9. - Taxes
   - Fringe Benefits
   - Savings Plans
   - Company Deductions

10. Can be any three of the following:

    Date that pay period ends
    Amount of time worked
    Gross amount of pay
    Net amount of pay
    Payroll employee number or check number
    Company name
    Year to date totals

Ditto Master for student use → 5I

Final Exam Packet 5

6. List two purposes of a paystub.

7. Tell what each abbreviation stands for and explain what each means:

   a. O.T.

   b. Soc. Sec.

   c. Hosp.

   d. Co. Cont.

   e. Emp. Ded.

8. Matching: Put the letter from each definition in Column B in the blank next to the term that it goes with in Column A.

Column A	Column B
___ Fringe Benefits	a. Gratuities
___ Bond	b. Union dues
___ Tips	c. Take-home pay
___ FICA	d. Deductions for life and health insurance
___ An example of a company deduction	e. Social Security tax
___ Net Pay	f. U.S. Savings Bonds purchased through work

9. List four general types of deductions.

10. List three pieces of information, besides deductions, which may be included on a paystub.

5I